

**MINUTES OF THE
PUBLIC UTILITIES AND TECHNOLOGY INTERIM COMMITTEE**
Wednesday, October 19, 2005 – 9:00 a.m. – Room W015 House Building

Members Present:

Sen. Gregory S. Bell, Senate Chair
Rep. Sheryl L. Allen, House Chair
Sen. Curtis S. Bramble
Sen. Mike Dmitrich
Sen. Beverly Evans
Sen. Darin G. Peterson
Rep. Ralph Becker
Rep. Bradley M. Daw
Rep. Ben C. Ferry
Rep. Lorie D. Fowlke
Rep. Fred R. Hunsaker

Rep. Rosalind J. McGee
Rep. Michael E. Noel
Rep. Ross I. Romero
Rep. Aaron Tilton
Rep. David Ure
Rep. Richard W. Wheeler

Staff Present:

Mr. Richard C. North, Policy Analyst
Mr. Christopher R. Parker, Associate General Counsel
Ms. Phalin L. Flowers, Legislative Secretary

Note: A list of others present, copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Allen called the meeting to order at 9:13 a.m.

MOTION: Sen. Bell moved to approve the minutes of the September 21, 2005 meeting. The motion passed unanimously with Sen. Peterson, Rep. Becker, Rep. Ferry, Rep. Tilton, Rep. Ure, and Rep. Wheeler absent for the vote.

2. General Agreement on Trades in Services: Draft Legislation

Rep. Allen introduced this item and discussed the importance of studying and developing state international trade policy. She briefly discussed 2006 General Session draft legislation "Utah International Trade Commission" that was handed out in a prior meeting.

MOTION: Sen. Dmitrich moved to adopt 2006 General Session draft legislation "Utah International Trade Commission" as a committee bill. The motion passed unanimously with Sen. Peterson, Rep. Becker, Rep. Ferry, Rep. Tilton, Rep. Ure, and Rep. Wheeler absent for the vote.

3. State Energy Policy Working Group Report

Staff distributed "Energy Policy Working Group Report" and "Individual Comments."

Rep. Becker gave an update on the Energy Policy Working Group. He briefly summarized the Working Group report and thanked those involved in drafting it.

Mr. Ted Rampton, Government Affairs Manager, Utah Associated Municipal Power Systems, spoke to the Committee about his experience on the Energy Policy Working Group.

Sen. Dmitrich noted that the statement about the lack of coal reserves should be removed from the report.

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Rep. Ure explained that the report was presented word for word by the Energy Policy Working Group subcommittees but the Legislature could make amendments to the energy policy as necessary.

Rep. Hunsaker asked how the energy policy will be formulated. He asked if it would become a resolution or a bill.

Mr. Parker explained that the draft legislation could either be in the form of a resolution, which would adopt the energy policy report, or a bill to codify the report. He also said Dr. Laura Nelson's energy office needs to be codified in order to give her statutory authority.

Rep. Ure noted that there must be legislative comment allowed on the energy policy report.

Rep. Allen spoke to the Committee about NCSL (National Conference of State Legislatures). She introduced several documents that were available from NCSL and alerted the Committee to upcoming NCSL events.

4. State Energy Office - Transition Report

Mr. Rick Sprott, Division of Air Quality, DEQ (Department of Environmental Quality), gave an update on DEQ's energy conservation programs.

Ms. Sarah Wright, Director of Utah Clean Air and Energy, explained that the tax credit for renewable energy systems is sunseting and that it needs to be renewed.

Rep. Ure suggested creating statutes and rules to govern how the money appropriated for the Energy Director's Office is spent.

Mr. Darin Underwood, Audit Manager, Office of the Legislative Auditor General, explained that his office was asked to audit the revenues and expenditures of the Office of Economic Development and the Energy Office.

Ms. Terrah Anderson, Office of Planning and Budget, explained that not many of the funds from the PVE (Petroleum Violation Escrow) Fund have been spent. She explained that there are several subcategories of PVE funds, and that there are special rules and regulations on how the money may be spent from each category.

Ms. Sandy Naegle, Governor's Office, explained that little money has been spent in the Energy Office's budget. She explained that she keeps track of the budget but it is Dr. Nelson's job to decide where the money is to be allocated. She agreed that a statute is needed to give authorization on how the State Energy Office's money is directed.

Mr. Kevin Knight, Energy Policy Coordinator, Governor's Office, explained that he and Dr. Nelson are in the process of determining what programs should continue to be funded. He also said they are determining how much time they spend on energy conservation so that time could be funded by the PVE.

Chair Allen asked Ms. Naegle and Mr. Knight to bring back statutory recommendations for the November 9, 2005 meeting.

Ms. Dianne Nielsen, Executive Director, Department of Environmental Quality, reiterated what Mr. Sprott presented to the Committee.

Rep. Noel asked Ms. Nielsen if there is a policy that prevents state-owned vehicles from being fueled with the most expensive gas at the pump. Ms. Nielsen replied that there is not a policy but that the responsibility lies with the driver to be sure the vehicle is being operated efficiently and at low cost.

Rep. Wheeler noted a memo was sent to state employees requesting that drivers of state-owned vehicles use regular fuel instead of premium fuel.

Mr. Rick Allis, Director, Utah Geological Survey, distributed and discussed "Utah Geological Survey - State Energy Program Funding" and "Utah's Geologic Hazards."

Mr. Kenneth Nye, Division of Facilities Construction and Management, distributed and discussed "Division of Facilities Construction and Management - State Building Energy Efficiency Program."

5. Governor's Office - Natural Resource Economic Cluster

Dr. Greg Jones, State Science Advisor and Director of Utah Economic Clusters Initiative, Governor's Office of Economic Development, explained that clustering is an economic theory that has been around for several years. He explained how the economic cluster can be used to develop Utah's oil resources.

6. Other Items / Adjourn

MOTION: Rep. Ferry moved to adjourn the meeting. The motion passed unanimously with Sen. Bramble, Sen. Dmitrich, Sen. Peterson, Rep. Becker, Rep. Hunsaker, and Rep. Ure absent for the vote.

Chair Allen adjourned the meeting at 11:12 a.m.